



2003/2004 Copayment Report

During the 2003-2004 benefit year, 167 families* enrolled in the Healthy Families Program (HFP) paid the maximum annual health benefit copayment amount of \$250. This is less than one tenth of one percent (.039%) of the total number of HFP families enrolled during the 2003/2004 benefit year.

INTRODUCTION AND BACKGROUND

Federal Requirements. Federal law (Title XXI) limits the sum of premiums plus copayment expenses to no more than 1) 5 percent of household income for families with incomes above 150% of the federal poverty level (FPL) and 2) 2.5% for families with household incomes 150% FPL and below. California has assured compliance with these requirements by restricting the amount of copayments for health services to no more than \$250 per family per benefit year. (Insurance Code Section 12693.615) Copayments for dental and vision services are not subject to the \$250 maximum.

Copayment Amounts. The design of the HFP benefits package requires subscribers to pay a \$5 copayment for certain benefits at the time services are provided. Health services that require copayments include: physician office visits, prescription drugs, outpatient mental health and substance abuse services, acupuncture, chiropractic and biofeedback services. Dental services that require copayments include major procedures such as root canals, crowns and bridges. Vision services, eye examinations and prescription glasses, require copayments.

Many HFP benefits do not require copayments. These health and dental services include preventative health services, immunizations, inpatient care, preventative dental care, and restorative dental procedures (fillings and x-rays).

Monitoring Copayment Amounts. HFP subscribers keep track of the amount spent on co-payments and inform health plans when they have reached the copayment

maximum. Health plans then discontinue charging copayments for these families.

Participating health plans report annually on the number of families who meet the \$250 copayment maximum for the reported benefit year. Participating dental and vision plans are also required to report the number of subscribers who paid copayments for members who paid \$250 in copayments for health even though there are no copayment maximums for these services. This allows better assessment of the out of pocket expenses for these members.

Report Purpose. This report provides information on families who reached the \$250 annual maximum health copayment during the July 1, 2003 to June 30, 2004 benefit year.

RESULTS FOR THE 2003/2004 BENEFIT YEAR

Enrollment

The maximum number of HFP subscribers enrolled at any time during the 2003/2004 benefit year was 781,679. These subscribers belonged to 427,474 families who were members of 26 health plans participating in the HFP.

Aggregate Findings

Approximately .039 percent (167) of HFP families met the maximum health copayment during the 2003/2004 benefit year. The total number of children in these families equaled 321.

Results by Health Plan

Of the 26 participating health plans, 13 had at least one family who reached the \$250 copayment maximum, while 13 health plans had no subscribers reaching the copayment maximum. Table 1 details the number of families reaching the maximum by plan.

Trends

*Plans reported 12 families reaching the maximum with insufficient data to be included in this report.

In the 1999/2000 benefit year .035 percent of all families reached the copayment maximum. In 2000/2001, .079 percent reached the maximum, while 2001/2002 increased to .082 percent. (Data for 2002/2003 was not compiled.) This percentage decreased to .039 percent during 2003/2004. The percentage of California HFP members paying the maximum amount in copayments has been consistently small throughout the history of the Program.

Table 1
Families Reaching \$250 Maximum Copayment by Plan

Plan Name	# of Families Reaching \$250 Health Copayment Maximum	# Children Within Families Reaching \$250 Copayment Maximum	% of Plan Families Enrolled in Plan Reaching the \$250 Copayment Maximum
Blue Shield HMO	47	101	.21%
Kern Family Health	24	73	.53%
Community Health Plan	13	50	.07%
Blue Cross EPO	12	32	.01%
Universal Care	11	8	.15%
Ventura County Health	6	7	.32%
Central Coast Alliance	4	6	.37%
Molina Health Care	3	5	.03%
Alameda Alliance	2	9	.03%
Health Plan of San Joaquin	2	3	.04%
Blue Cross HMO	1	1	<.00%

* Care 1st and Kaiser reported a few families who paid \$250 in copayments, but were unable to accurately identify the families

**The following plans reported no members reached the \$250 maximum copayment amount for Benefit Year 2003-2004: , Blue Shield EPO, CalOPTIMA, Community Health Group, Health Net, Health Net EPO, Health Plan of San Mateo, Inland Empire, L.A. Care, San Francisco Health Plan, Santa Barbara Regional Health Authority, Santa Clara Family Health Plan, Sharp Health Plan, UHP Health Care.

ANALYSIS AND COMPARISONS

Below are demographic views for all children and families who reached the \$250 copayment maximum.

Income/Copayment Analysis for 167 Families

Of the 167 families that reached the \$250 health copayment, 3 families paid dental copayments. Twenty-six percent were at or below 150% fpl, 34 percent between 150% and 200% fpl and 40 percent above 200% fpl.

Total out-of-pocket expenditures *increased* by an average of \$19 over benefit year 2001/2002, while average incomes decreased by \$7,503. Average out-of-pocket expense as a percent of household income was

1.64% compared to 1.40% in the 2001/2002 benefit year. These figures remain well below the 5% of household income limitation.

Table 2 provides the income profile of the *families who reached the \$250 health copayment limit* during the 2003/2004 benefit year.

Table 2
Income Profile of Families Reaching Maximum Copayment

Category	Number of Families	Average Annual Income	Average Paid for Copayments & Premiums	% of Annual Income
All Families who reached \$250 Health Copayment	167	\$25,227	\$414	1.64%
Families Who Also Paid Dental Copayments	3	\$33,012	\$502	1.52%

Family Size

The average number of children in a family reaching the maximum copayment limit was 4.5 and the average family size was 3.7.

Ethnicity and Primary Language

Tables 3 and 4 below compare ethnicity and language characteristics of the families who met the \$250 annual copayment limit to those of the overall HFP population during 2003/2004 benefit year.

Table 3
Comparison of Ethnicity of Families Reaching Maximum Copayment to Overall HFP Population

(figures rounded)

Ethnicity	Families (167) at \$250	HFP Population
Latino	54%	56%
White	21%	15%
Asian/Pacific Islander	8%	13%
African American	2%	3%
Other	16%	13%

Table 4
Comparison of Primary Language for Families Reaching Maximum Copayment to Overall HFP Population

(figures rounded)

Language	Families (167) at \$250	HFP Population
English	58%	50%
Spanish	38%	42%
Chinese, Korean and Vietnamese	3%	6%
Other	1%	1%

CONCLUSION

The copayment requirements of HFP families are within the range of out-of-pocket expenses set by federal law. No family with a household income between 150% - 200% of FPL paid 5% or more of their income for health insurance copayments. Families with household incomes below 150% FPL that reached the \$250 annual health copayment limit averaged less than 2% of income for out-of-pocket expenses for premiums and copayments.